



**KURIA FOUNDATION  
FOR SOCIAL ENTERPRISE**

# **Increasing LGBTQ+ Entrepreneurial Queerness/ Quotient**

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# Introduction



**How can LGBTQ+ persons gain access to already existing affirmative action funds?** This is the question that this pamphlet seeks to answer.

It gives me great joy to introduce this pamphlet by urging our LGBTQ+ community members and especially young ones, to actively seek to increase their EQs i.e., Entrepreneurial Queerness (Quotient).

The challenge of accessing capital to start a business is a systemic problem that affects many Micro and Small Enterprises (MSEs) in Kenya today. This challenge is not unique to LGBTQ+ persons, even though historical experiences of stigma and discrimination, including self-stigma, can have a negative effect on personal agency or self-efficacy of starting and running such an enterprise. Recognizing the challenge of access to capital, the government of Kenya has created at least 12 affirmative funds with the aim of meeting this need. Yet, many MSE founders still find it difficult to access these funding mechanisms. Corruption and nepotistic perceptions are some of the leading barriers to access. Other challenges include the kind of conditions and requirements that some of these funds place on prospective SME founders, before they can access funding.

This document aggregates all the 12 affirmative funds that are currently operational, and provides information on who their principle beneficiaries are, how one can access these funds and crucially, what KFSE is doing to facilitate LGBTQ+ persons who want to access these funds. This document is an extension of our broader economic justice and inclusion work, and more particularly the Entrepreneurial capacity enhancement work.

**About KFSE:** In a study commissioned by KFSE we established that most LGBTQ+ persons lack access to start-up and working capital to build and up-scale their business ventures. This challenge is not unique to sexual and gender minorities (SGM/LGBTQ+), but rather to many if not most micro and small enterprise (MSE) founders. KFSE supports the LGBTQ+ movement in Kenya through incisive thought leadership with the goal of increasing their experience of quality of life – even as they advocate for the removal of existing legal, policy and practice barriers that limit the enjoyment of their God-given human rights.

In this document we urge Kenyan Queers not to just be QUEER but to become AGENTIC and ENTREPRENEURIAL: to increase their EQ even as they seek to advance their broader human rights quests.

**Increasing LGBTQ+ EQ:** This document is beneficial not just to the SME business owners but can also benefit anyone who wants to increase their income, grow their wealth and investments. Investing is defined as the “act of allocating resources, usually money, with the expectation of generating an income or profit. One can invest using money to start a business, or buy assets with the hope of reselling later at a higher price.” Accessing business financial resources is therefore not limited only to start-up or working capital for those currently seeking to start or are currently running a business. Accessing financial resources to grow one’s investments is also important for those not in business. This document complements the “**KFSE Entrepreneurial Development Training Manual.**” This manual has many business and investment strategies (including passive investment strategies) worth looking at.

See the teaser below:

**Teaser:** Suppose you take a Kshs. 100,000 **Vuka Start-up loan** from the Youth Enterprise Development Fund (YEDF), which charges annual interest rates of 6%. Since you already have a job and do not want to start a business but want to engage in passive investing using ICEA's money market fund, which gives a return on your investment of 7% - 9%<sup>1</sup> and further, you qualify to join the KFSE 5% interest-sharing scheme. How much will your initial investment be worth at the end of the year?

You see not all investors necessarily have to open and run a business! That is what we mean by increasing your Entrepreneurial Queerness/Quotient!

by David K. Mbote  
**Executive Director - KFSE.**

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<sup>1</sup> ICEA money market fund benchmark for some of their asset category is the 91-day T-Bill yield - <https://icealion.co.ke/wp-content/uploads/2021/04/ICEA-LION-MONEY-MARKET-FUND.pdf>



# KFSE support to LGBTQ+ Entrepreneurs access existing affirmative Funds

Fund	Principal Beneficiaries	How to Access the Fund	What KFSE is doing to help LGBTQ+ people access the fund
1. Women Enterprise Fund (WEF)- Constituency Women Enterprise Scheme (CWES)	<ul style="list-style-type: none"> <li>Offer accessible and affordable financial and innovative business support services to Kenyan women.</li> <li>CWES loan is interest-free, with only 5% administrative fee</li> <li>Collateral- Social guarantee</li> <li>Duration- 12-24 months depending on the cycle</li> </ul>	<p><a href="https://www.wef.co.ke/">https://www.wef.co.ke/</a></p> <ol style="list-style-type: none"> <li>Must be a registered self-help group of 10 members and above comprising 100% women or 70 % women and 30% men.</li> <li>All leadership positions and account signatories must be held by women.</li> <li>Must have an account in a Bank/SACCO FOSA/Post Bank/Deposit Taking Micro-finance (DTM)</li> <li>Must have been in existence for at least 3 months.</li> <li>Groups must be trained in business management skills by the WEF officers as a prerequisite for the loan application</li> </ol>	<ol style="list-style-type: none"> <li>Creating awareness of the fund</li> <li>Organizing LGBTQ+ women in business into self-help groups for eligibility to the fund.</li> <li>Providing loan guarantee (Max 100,000)</li> <li>Providing loan interest subsidy (Max 5%)</li> <li>Training LGBTQ+ businesswomen on value of Quality of service &amp; customer retention skills</li> </ol>
2. WEF - LPO financing	<ul style="list-style-type: none"> <li>This is a product tailored to serve women</li> </ul>	<p><a href="http://www.wef.co.ke/index.php/features/loans/lpo-financing">http://www.wef.co.ke/index.php/features/loans/lpo-financing</a>:</p> <ol style="list-style-type: none"> <li>Registered company</li> <li>valid Local Purchase Order/Local Service Order duly signed and stamped by the procuring entity</li> <li>maximum amount available for this loan is Kshs. 2 Million per individual borrowing</li> </ol>	<ol style="list-style-type: none"> <li>Creating awareness of the fund</li> <li>Created a database of LGBTQ+ businesses and diverse product suppliers</li> <li>Advocating with allies including businesses and LGBTQ+ supportive partners to ring-fence a % of their procurement from this DB</li> <li>Soliciting from KFSE partners &amp; allies for LPOs as a tool corporations can use to advance equality &amp; non-discrimination</li> <li>Following up with relevant agencies to ensure prompt payment upon delivery of services by LGBTQ + persons especially to the national and county governments to encourage continued utilization of the fund by the community.</li> <li>Providing loan guarantee (Max 100,000)</li> <li>Providing loan interest subsidy (Max 5%)</li> </ol>
3. WEF - Bid Bond Financing	<ul style="list-style-type: none"> <li>Minimum amount Ksh 50,000</li> <li>Maximum amount Ksh 2,000,000</li> <li>Commission of 1% of the guarantee amount subject to a minimum of Kshs. 1,000</li> </ul>	<p>Offered to women within Nairobi County and its outskirts.</p> <p><b>Application Procedure</b></p> <ol style="list-style-type: none"> <li>Filling of bid bond application form</li> <li>Payment of the commission (original bank slip required)</li> <li>Borrower to sign indemnity terms and conditions (as will be in the application form)</li> <li>Issuance of bid/tender security</li> </ol>	<ol style="list-style-type: none"> <li>Creating awareness of the fund</li> <li>Created a database of LGBTQ+ businesses and diverse product suppliers</li> <li>Advocating with allies including businesses and LGBTQ+ supportive partners to ring-fence a % of their procurement from this DB</li> <li>Soliciting from KFSE partners &amp; allies for Bond-financing as a tool corporations can use to advance equality &amp; non-discrimination</li> <li>Providing loan guarantee (Max 100,000)</li> <li>Providing loan interest subsidy (Max 5%)</li> <li>Training LGBTQ+ businesswomen on value of Quality of service &amp; customer retention skills</li> </ol>
4. Kenya Mortgage Refinance Company	<ul style="list-style-type: none"> <li>Affordable housing loans Extended to primary mortgage lenders (Banks, Microfinance Banks &amp; Saccos) to individual borrowers whose monthly household income is not more than KES 150,000.</li> </ul>	<ul style="list-style-type: none"> <li>Families with Banks, Microfinance Banks &amp; Saccos accounts that are members of KMRC – list of KMRC members: <a href="https://kmrc.co.ke/our-members/">https://kmrc.co.ke/our-members/</a></li> </ul>	<ol style="list-style-type: none"> <li>Creating awareness of this service among LGBTQ+ communities</li> <li>Created a KFSE corporate account with a leading Sacco that is a KMRC member</li> <li>Providing loan guarantee (Max 100,000)</li> <li>Providing loan interest subsidy (Max 5)</li> <li>Encouraging &amp; providing a platform for LGBTQ+ to form groups for bulk purchase of land/houses to get attractive trade discounts.</li> </ol>

Fund	Principal Beneficiaries	How to Access the Fund	What KFSE is doing to help LGBTQ+ people access the fund
5. Youth Enterprise Development Fund	<ul style="list-style-type: none"> <li>• Provide loans to youth owned enterprises</li> <li>• Facilitate youth enterprises to develop linkages with large enterprises</li> </ul>	<p><a href="http://www.youthfund.go.ke/">http://www.youthfund.go.ke/</a></p> <p><b>Loan Products</b></p> <ul style="list-style-type: none"> <li>• AGRI-Biz loan</li> <li>• VUKA loans</li> <li>• Constituency Based Loan</li> <li>• LPO/LSO financing</li> <li>• Talented Loan</li> <li>• Vijana Biashara Loan</li> </ul> <p>The fund is open for youth who wish to start or expand businesses.</p>	<ol style="list-style-type: none"> <li>1. Providing loan guarantee (Max 100,000)</li> <li>2. Informing and facilitating LGBTQ+ persons who qualify as youths to attend entrepreneurship trainings organized through the fund and access appropriate business development skills and services.</li> <li>3. Facilitating LGBTQ + youths to attend pre-financing training programme to enhance sustainability of youth enterprises.</li> <li>4. Preparing LGBTQ+ youths for business plan competitions organized courtesy of the fund</li> <li>5. Training LGBTQ+ youth in business on value of Quality of service &amp; customer retention skills</li> </ol>
6. Uwezo Fund	<ul style="list-style-type: none"> <li>• Enable women, youth and persons with disabilities access finances to promote businesses and enterprises at the constituency level</li> </ul>	<p><a href="https://www.uwezo.go.ke/">https://www.uwezo.go.ke/</a></p> <p><b>Eligibility</b></p> <ol style="list-style-type: none"> <li>1. Group must be registered with the relevant government</li> <li>2. Group membership must be as guided by the registration entity</li> <li>3. For youth groups; 70% youth (18-35 years), and leadership, 100% youth.</li> <li>4. Women groups 70% women, and leadership, 100% women.</li> <li>5. PWDs 70% PWDs, and leadership, 100% PWDs.</li> <li>6. Loan must be applied at constituency level</li> </ol>	<ol style="list-style-type: none"> <li>1. Identifying LGBTQ + who meet the eligibility criteria.</li> <li>2. Encouraging such persons to make the Application.</li> <li>3. Guiding such persons through the business proposal development process.</li> <li>4. Lobbying with Uwezo fund administrators/officials to consider LGBTQ applicants given the loan guarantee scheme offered by the institution.</li> <li>5. Training LGBTQ+ communities on business on value of Quality of service &amp; customer retention skills</li> </ol>
7. Kenya Industrial Estates	<ul style="list-style-type: none"> <li>• Promote MSMEs with focus on rural industrialization through provision of affordable industrial credit and business advisory services</li> </ul>	<p><a href="https://kie.co.ke/">https://kie.co.ke/</a></p> <p>Loan sizes range from Ksh. 100,000 to Ksh. 20 Million payable over a duration of 84 months maximum.</p> <p>For Micro – Loans (Youths and women groups, JuaKali Operators): minimum Ksh. 10,000/= and a maximum Ksh. 500,000/=</p> <p><b>Eligibility for Funding</b></p> <ol style="list-style-type: none"> <li>1. Small and Medium Enterprise owners (an individual, a registered group, a limited public company) operating in the Value – addition sector (manufacturing) or service industries with a direct contribution to manufacturing.</li> </ol>	<ol style="list-style-type: none"> <li>1. Creating awareness of this service among LGBTQ+ communities</li> <li>2. Supporting LGBTQ+ communities in development of business models for commercialization and scaling up of their enterprises when applying for the credit.</li> <li>3. Negotiating with the issuing authorities on behalf of prospective LGBTQ+ persons for credit consideration</li> <li>4. Providing loan guarantee (Max 100,000)</li> <li>5. Providing loan interest subsidy (Max 5%)</li> <li>6. Training LGBTQ+ fund on value of Quality of service &amp; customer retention skills</li> </ol>
8. Industrial and Commercial Development Corporation	<ul style="list-style-type: none"> <li>• To promote Kenya's socio-economic development by providing financial solutions for sustainable industrial and commercial enterprises.</li> </ul>	<p><a href="https://icdc.co.ke/index.php/products-and-services/debt-products/how-to-partner-with-us-2">https://icdc.co.ke/index.php/products-and-services/debt-products/how-to-partner-with-us-2</a></p> <p>Offers a range of products including equity products debt products, guarantee products and technical advisory services.</p> <p><b>Eligibility</b></p> <p>A detailed Business Plan or Feasibility Study (in case of start-ups)</p> <p>A loan application letter on the company's letterhead</p> <p>A sealed board resolution to borrow (where applicable)</p> <p>Certificate of Incorporation, Memorandum and Articles of Association</p> <p>Copies of Collateral offered for the facility under request.</p>	<ol style="list-style-type: none"> <li>1. Creating awareness of this service among LGBTQ+ communities</li> <li>2. Providing loan guarantee (Max 100,000)</li> <li>3. Providing loan interest subsidy (Max 5%)</li> <li>4. Advising LGBTQ+ communities on the best loan product to secure from the institution based on the need and cost.</li> <li>5. Guiding the beneficiaries through allocation of the fund across different project phases to ensure proper utilization of resources and project completion.</li> <li>6. Supporting the LGBTQ+ communities to craft a repayment plan for the timely repayment hence good credit reputation thus many credit cycles and growth of the business</li> </ol>



Fund	Principal Beneficiaries	How to Access the Fund	What KFSE is doing to help LGBTQ+ people access the fund
9. Agricultural Finance Corporation	<ul style="list-style-type: none"> <li>• Offer cheap loans to all farmers across Kenya</li> <li>• The loans designed to benefit agri-business traders through provision of start-up capital for those seeking to start or are engaged in agricultural microenterprises</li> </ul>	<p><a href="https://agrifinance.org/loanProduct/QWdyaWJ1c2luZXNz">https://agrifinance.org/loanProduct/QWdyaWJ1c2luZXNz</a></p> <p><b>Requirements/ eligibility</b></p> <ol style="list-style-type: none"> <li>1. Designed for Individual &amp; Groups</li> <li>2. Viability of The Business</li> <li>3. Tangible Security for The Loan</li> <li>4. 20 % Equity Contribution Towards the Project.</li> <li>5. Repayment Period Up to 3years</li> <li>6. Interest Rate Is 10% Per Annum</li> </ol>	<ol style="list-style-type: none"> <li>1 Providing loan guarantee (Max 100,000)</li> <li>2 Providing loan interest subsidy (Max 5%)</li> <li>3 Educating LGBTQ+ communities on the different loan products offered by the corporation and advising accordingly based on their suitability and cost of credit.</li> <li>4 Providing agricultural advisory services to LGBTQ+ communities to ensure efficient utilization of the fund and maximum benefit.</li> <li>5 Negotiating for favorable interest rates on credit for LGBTQ + persons to encourage uptake due to reduce cost of capital</li> <li>6 Organizing LGBTQ + persons in interest sharing schemes to increase the pool of funds available for business.</li> </ol>
10. MSME Credit guarantee scheme	<ul style="list-style-type: none"> <li>• Enhance access to credit by MSMEs by providing partial mitigation of default risks to banks</li> <li>• Loans under this program are currently available at DTB. Applicants should contact their nearest DTB branch or call 0719 031 888</li> </ul>	<p><a href="https://dtbk.dtbafrika.com/loans/The-Credit-Guarantee-Scheme">https://dtbk.dtbafrika.com/loans/The-Credit-Guarantee-Scheme</a></p> <p><b>Eligibility for Guarantee under Scheme</b></p> <ol style="list-style-type: none"> <li>1. Is a micro, small or medium enterprise.</li> <li>2. Is registered as a business or company under the relevant laws</li> <li>3. Is registered by a county government and holds a valid business permit or trade license</li> <li>4. Has complied with the relevant tax laws</li> <li>5. Is not part of any group or enterprise which would otherwise not be eligible for a credit guarantee under these Regulations</li> <li>6. Intends to use the credit advanced for business purposes</li> <li>7. Does business in Kenya</li> <li>8. Satisfies any other condition that may be imposed by the Steering Committee before the credit guarantee is granted</li> </ol>	<ol style="list-style-type: none"> <li>1. Creating awareness of this service among LGBTQ+ communities</li> <li>2. Providing loan interest subsidy (Max 5%) to enhance uptake by the LGBTQ+ communities</li> <li>3. Supporting LGBTQ+ communities in formalizing their businesses through the entrepreneurship trainings offered by KFSE and guidance from resource persons at the foundation for eligibility to participate in the scheme.</li> <li>4. Using the in-house loan guarantee (Max 100,000) provided by KFSE to vet and nominate LGBTQ+persons to participate in the MSME Credit guarantee scheme given the proven track-record of timely credit payment.</li> </ol>
11. Kenya Youth Employment and Opportunities Project (KYEOP)	<ul style="list-style-type: none"> <li>• Equip youth with training, employment and business grant opportunities</li> </ul>	<p><a href="https://msea.go.ke/kyeop/">https://msea.go.ke/kyeop/</a></p> <p><b>Eligibility</b></p> <ol style="list-style-type: none"> <li>1. Youth between 18-29 years of age (with some component extending up to 35 years) who are jobless and have experienced extended spells of unemployment or who are currently working in vulnerable jobs.</li> <li>2. The level of education of targeted beneficiaries will be up to Form 4.</li> <li>3. Youth within selected counties in urban and rural areas.</li> </ol>	<ol style="list-style-type: none"> <li>1. Informing LGBTQ+ youth about KYEOP opportunities once advertised through KFSE website and other platforms.</li> <li>2. Having a database for unemployed LGBTQ+ youth for easy networking and linking when opportunities arise.</li> <li>3. Complementing KYEOP trainings with KFSE trainings in entrepreneurship to ensure LGBTQ + entrepreneurs gain maximum benefit from the project.</li> <li>4. Supporting LGBTQ+ persons who qualify as youths in developing business proposals through trainings for consideration for the business grant.</li> </ol>
12. MbeleNaBIZ	<ul style="list-style-type: none"> <li>• Providing youth led enterprises with grant funding</li> <li>• Expand new and existing youth-led enterprises</li> <li>• Award grants of Ksh 900,000 or Ksh 3,600,000.</li> </ul>	<p><a href="https://mbelenabiz.go.ke/application.php">https://mbelenabiz.go.ke/application.php</a></p> <ol style="list-style-type: none"> <li>1. The lead applicant and majority (at least 70%) of the shareholders must be aged between 18 and 35 at the time of application.</li> <li>2. The lead applicant must be a Kenyan national or demonstrate that they would live and operate businesses in Kenya in the event they are Kenyans living abroad</li> <li>3. The lead applicant must have completed a minimum of Form 4 qualification or equivalent.</li> </ol>	<ol style="list-style-type: none"> <li>1. Notify eligible LGBTQ+ youth to apply when the competition resumes.</li> <li>2. Supporting interested LGBTQ+ youths in developing competitive business ideas that are innovative and scalable</li> <li>3. Guide the applicants through the proposal development process to increase their chances of selection</li> <li>4. Training LGBTQ+ youth on business on value of Quality of service &amp; customer retention skills.</li> </ol>





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